Sectt. II-48—6,001—26-9-16.

Revenue (1921) Department.

1921 SERIES.

G.O. No. 1783
1783

DATED 21-9-21

[Despatch Abstract.]

Lease — Rules to be in the South Kanara District — 12 Eastern Taluqs to be Coffee Land — Collection of Rent and Arrears of Rent

R.F.D.—80-5.

REVENUE DEPARTMENT.

CURRENT No D. 1854-I

Received ..... Registered 11-7-21 1921

1108-A/21
136 P. 21.

Subject.

Submitting to Government for orders letter of the Collector of South Kanara soliciting instructions whether the lease amount due for 1921 from the Eastern Development Corporation Ltd. may be collected from them.

ENCLOSURES.
No. .....
.....
Spare copies .....

Reference No. 1643/20-4.

Station Madras Dated the 7th July 1921.

From (Name) S. Cox, Esquire, C.I.E., I.F.S.

(Designation) Chief Con---

To the Secretary to the Government of Madras.
Development
Revenue Department.

Sir.

I have the honour to solicit reference to G.O.No. 374 Mis Revenue (Special) Department, dated 21st February 1920 approving the proposal of the Collector of South Kanara to renew the first of the pro-notes executed by the Eastern Development Corporation Ltd. as security for the rental due on 1st July 1916 in respect of the lease of dhupa fruits in the South Kanara district

In paragraph 2 of the order, Government asked

the Collector to report whether the Corporation had any intention of resuming the business and if so, when, and whether they were making any arrangements with that view. The Collector reported that the Corporation had every intention of resuming the business and that they were making arrangements to collect the year's crop to the fullest extent. This reply was based on a communication dated 23rd March 1920 received from the General Manager, Eastern Development Corporation Limited, Bombay. It was duly intimated to Government in my letter No.1643, dated 14th June 1920 and no orders have yet been received in the matter.

Page 1 & P. 1150 21-6-20 (G)

2. The Collector now enquires if in view of the fact that the factory of the Eastern Development Corporation at Kalianpur had transactions last year, the Corporation should not be called upon to pay the rent for the ensuing year which fell due on 1st July - Vide copy of the Collector's letter enclosed. I solicit the orders of Government.

P-3 in/n

3. In this connection, reference is invited to G.O.No. 1037, dated 6th April 1917 in which Government directed that the collection of rentals due by the Corporation should be suspended until twelve months after the termination of the War; this order was reiterated in G.O.No.518 Mis.Revenue (Special) dated 9th October 1918. The date of termination of the War

(H)

(F)

has not yet been notified.

I have the honour to be,

S i r,

Your most obedient servant,

Ramadurai
for Chief Conservator.

R.P.N.7/7.

Copy of letter from the Collector of South Kanara, C.No.238/Supre., dated 10th June 1921.

(E) With reference to para 2 of G.O.No 374, Mis.,Rev. (Special) Department, dated 21st February 1920 communicated with your Proceedings Mis.No.117, dated 24th February 1920, I have the honour to enquire if, in view of the fact that the factory of the Eastern Development Corporation at Kallianpur had transactions in last year, they should not be called upon to pay the rent for the ensuing year, which falls due on the 1st July next. An early reply is requested

Devolpt

Rent Shupa trees lease — South Kanara Dt — the Eastern Development Corporation Ltd

1534 I from the C.G. & T. Rep 1643/rou 7-7-41

To Under-Secy.

In G.O. no 1037 Rev & 6-4-17 the Govt. agreed that the collection of rentals (for the lease of Shupa trees in S. Kanara) due by the Eastern Development Corporation should be suspended until twelve months after the termination of the war as it was represented that the Corporation had to undergo many difficulties on account of the circumstances created by the War. This Concession was granted with a view to encourage the industry — please see C_4's notes as Rev. Secy in pages 36-37 of G.O. no 1037 & 6-4-17 the Director of South Kanara now brings to notice that the Corporation had transactions last year and enquires whether the Corporation may be called upon to pay the rent for the ensuing year which

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(J)

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t

To U. S.

In 1911 Sir Richard Temple applied on behalf of the Eastern Syndicate Ltd. (a company which had then been formed inter alia for developing resources in India) for the lease of the right to collect the fruits of the dhupa trees in the S. Kanara district. He proposed to establish a factory for extracting from the fruits an oil which he said was of commercial value. The Govt. were inclined to consider the request favourably and correspondence thereupon ensued as to the number of trees existing and the terms of the lease. In the result the Govt. in G. O. No. 1288 Rev d. 2-5-13 granted the lease of the exclusive right to collect the fruits of the dhupa trees growing in the reserves and unreserves of the S. Kanara district to the Eastern Development Corporation Ltd. for a period of 30 years at an annual rental of Rs. 2896. This amount worked out at the rate of one anna per tree existing at the time. The Coy. took on lease from the District Board also the trees growing on lands vested in the Board and in the prospectus issued by them gave high hopes in regard to establishing a factory for dealing with the product.

2. The Company paid the rentals due for three years but in 1916 they applied for a remission of the rental on the ground that owing to the war they could not get suitable machinery to deal with the product in India and owing to high freights they could not export the raw product either. The Govt. decline to remit the rental but directed the suspension of the collection until 12 months after the termination of the war on condition that the Company executed a pronote as security for each rental as it fell due. In arriving at this decision the Govt. were influenced

by the fact that for the previous three years they had received a substantial sum as rental for the lease of trees which previously brought in practically nothing, and that an insistence upon immediate payment might result in the abandonment of a promising in-dustry. Since then the Company have been executing promissory notes for each rental as it fell due.

3. The result is that they have now to pay Govt. Rs. 14,480 as arrears of rental for the past five years. On 1st July 1921 a further sum of Rs. 2896 has fallen due as rental for the ensuing fasli and the Collector has now raised the question whether the amount should be collected from them as they did some transaction last year.

4. The circumstances in which the order of 1917 was passed do not exist now The Company did business last year and there is therefore no reason why they should not pay the ensuing year's rental. In any case, it seems that a demand may be made, leaving it to the company to make any representations they like for postponing payment

5. In this connection it may be noted that the Director of Industries is also considering the prospects of successfully establishing this industry in the Presidency. From a report submitted by the Assistant Director of Industries, Coimbatore, it appeared very doubtful whether the Company would proceed with the schemeas originally contemplated by them. The chief difficulty is that they had seriously over-estimated the crop available It also appeared that the Company contemplated the removal of the factory to Bombay to try the possibility of establishing oil extraction there in conjunction with some other subsidiary activity

5/8

6. It therefore appears that the time has come for deciding as to the line to be taken by Govt. in regard to collecting the arrears and the ~~xxxxxx~~ rental for the ensuing year. Perhaps the Director of Industries may be asked to advise in the matter u. o

25.8.21

Sp (i)
24/8

Dev. Dept. 344 I/4-1

DIRECTOR OF INDUSTRIES
26
30 AUG 1921
MADRAS

Dir of Inds. u/o

No. 331 I/21, 27.10. Sept. 1921.

There seems to be no ~~xxxxx~~ reason why Government should not resume the collection of rent, and also attempt to collect the arrears, as although the Corporation have abandoned the attempt to extract Dhupa oil in this Presidency they propose to continue exporting the kernels which presumably yields a profit.

2. The Corporation do not appear to have applied to Government for the arrears to be written off or for the rent for the ensuing year to be waived. The best course, in the circumstances, would appear to be to claim the arrears of rent due

and to consider any representation received from the Corporation thereafter. In view of the heavy losses which they have apparently sustained over the Dhupa industry the Corporation are probably entitled to some consideration but it seems premature to discuss the question before the Government demands have been presented.

3. The future policy of the Eastern Devolopment Corporation in regard to the develonment of the indust is indicated in the accompanying extacts from the copressondence exchanged by the Director of Industries with the Corporation which also show the grounds on which the Corporation based their decision to abandon their attempt to extract Dhupa oil in thes Presidency and to confine the scope of their operation to ~~exploiting~~ exporting the kornels.

1) Extract from letter G.M.77 dated 9th June 1921 from the General Manager, Eastern Development Corporation.

Your letter of 24th April addressed personally to Mr. F.E.Rosher, my Managing Director has been forwarded to me for reply. Mr.Rosher had been in India since the end of February but sailed for Home on 28th ultimo.

As regards the dhupa industry, about which you enquire it is at present the Corporation's policy to take advantage of each crpp as it comes along and so long as markets continue favourable to develop collections along the lines of securing the maximum possible crop both from South Canara and Coorg, our other lease territory.

Unfortunately, the cropping periodicity of dhupa is extremely erratic, and the most we can expect is not more than 1½ crops in 4 years so that in order to maintain an organisation in South Canara it is absolutely essential for us to incorporate some other activitie with dhupa. If you could give us any pointers in this direction I am sure we should all be very much obliged.

Our Extraction Plant, in the circumstances, is quite wasted where it is at present and we propose to move it to Bombay after the monsoon and establish oil extraction here as soon after as possible and in conjuction with it the manufacture of fertilisers with our by-product meal as an admixture with guano (possibly fish which we may decide to work in S. Canara as a side line).

As the dhupa crop is so erratic and at the best, an insufficient crop to make an extraction a payable proposition without a second raw material we have decided not to treat the seeds locally but to ship them after duly conditioning them by our new dryer.

2) Extract from the Director's letter No.331/21 dated 23rd June 1921.

I beg to acknowledge receipt of your letter of the 11th June. The Madras Government will, I think, be concerned to learn that you are practically abandoning the attempt to extract dhupa oil in this Presidency as the raison d'etre of the consession granted to you was, to put an end to the practice previously obtaining of sending all the dried kernels abroad for manipulation: In Sir Richard Temple's letter to the Chief Secretary to the Government of Madras dated 13th October 1911 it was urged that a concession for a far longer period than five years was essential if a factory was to be started and it was on this understanding that your Corporation was granted the concession for 30 years in 1913. The erratic cropping periodicity of dhupa of which you make so much was not a discovery made after the concession was granted.

3) Extract from the General Manage's letter N.G.M.91 dated 4th July 1921

I am obliged for your letter No.331 A/21 of 23rd ultimo, from which I regret to note that the Madras Government will in your opinion, regard with disfavour the discontinuance of our faxtory activities in South Canara. At the same time I must in self-defence take very strong exception to your statement that the erratic cropping of dhupa was not a discovery made by us after the concession was granted. When originally investigating this proposition we were on all sides, including responsible forest officers, led to believe that dhupa was an annual crop, with an average per tree of not less that 4 cwts nuts, and it was not until we had ourselves observed the cropping periodicity for a period of 5 years that we arrivd at the undoubted conclusion that as far as raw material was concerned our enterprise was doomed, not only as regards dhupa but also other varieties of seed to be found in South Canara in small quantities a cropping year always provided. For instance, last year I provided the South Canara Forest Department with funds to collect for us as an experiment from their Reserves 200 tons Myristica Seeds, against which they returned me a net weight of 2¾ tons at a cost of ~~Rs175~~ Rs175 per ton delivered Mangalore, and much the same applies to our own investigations of all varieties available in the District.

Altogether we have expended on our attempt to establish this industry upwards of £.50,000 which I consider more than fulfils the understanding upon which you imply that the Madras Government grantd us the concession, and as a public Company the only course now open to us is the drastic one of removing our installation to a more favourable district and dealing with the crops under our lease to the best advantage as they become

9 - 12

available. In final comment on this business I enclose herewith a copy of our South Canara Manager's latest report on this year's crop, which is apparantly again almost a complete failure.

4) Extract from Director's letter NO.331 A/21 dated 11th July 1921.

I have your letter of the 4th July. I did not say that the Madras Government would regard with disfavour the discontinuance of your factory activities in South Kanara but that they would, I think, be concerned to learn that you are practically abandoning the attempt to extract dhupa oil in this Presidency. It is clear from your letter that your failure is largely due to circumstances beyond your control but the erratic cropping of dhupa was a matter which you did not apparently fully investigate before you obtaindd your concession. My authority for the statement to which you take strong exception will be found in a letter from Mr.Rosher of 21st June 1912 to the Revnue Secretary to the Madras Government. It is evident from that communication that there was a failure in the dhupa crop in the very year in which Mr. Rosher on behalf of the Corporation was negotiating a lase but yet, I am to understa he did not ascertain to what extent the crop had failed nor whether such failure was a frequent occurrence.

D. 2081-I

12.9.21

Ant

To

The Secretary to Govt Dev. Dept U.C.

10 13

Development Sec.-

To W.S.

Please see D. I's W.O. note above

for orders whether the Coll:r may now be asked to present a demand for the (1) arrears & for the current years (2) rental.

1) Rs 14,480
2) 2896
17,376

The Coll:r may also be asked to look into the question of security - vide Secy's note p.5 supra

13.9.21

S/ 14.9.21

Yes may graciously consider

14.9

To W.S

A draft order is submitted for approval

15-9-21

S/ 17.9.21

Dy Sec. sent this note back to the Coll:r for

17.9

To W.S

Submitted that there is no direction

to send the order direct to the Collector But the office proceed to send the order through the C.C. as that was the usual channel, ~~of~~ followed in the past. It may be observed that the Correctness present letter — p 3 of — of his previous letter also were addressed to the C.C and not to Govt The revenue in question is part of "Forest revenue"

Tp-3 pp 374 (F
-2-20

AW
17 9 21

~~and grant as direct~~

~~to the Govt~~

Ry will Ssm

Sy
19.9

Ci 8w 8m hfm vis me

BOX-32
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Rtd-20/9/21

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Ssm
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Received in Fair Copying Section
Copied by C.T. 21/9/1921.
Examined by
Signed
Despatched

15

DEPARTMENT

Lease — Dhupa trees in the South Kanara — — —
the Eastern Development Corporation for
Collection of rentals and arrears ordered

READ AGAIN G.O. No. ....., dated 192

" " " " ..... " 192

READ ALSO:—

C. No. 1534 From the CCF A/c No. 1643/20, dated 4/7 192 1.

" " " " " 192

" " " " " 192

ORDER. No. 1783, dated 21. 9. 192 1.

Mis

The Collector of South Kanara should be asked to make a demand on the Eastern Development Corporation Ltd., for the payment of the rental which fell due on the 1st July 1921 and also for the arrears due for the last five years. In the event of the payment being made on demand, the question whether the Corporation should furnish security (~~in the form of machinery or hypothecation of factory buildings etc.~~), for the accumulated arrears dues to Govt. should be

and current —

examined and reported
on ~~forthwith~~ by the
Collector which is important
since the corporation ~~contem~~
formerly
KRA -/plate the removal of
6-9-24
tiers machinery &c.
16/9 from ~~the premises~~ this Pres. I.
121

~~Kuff~~
12/9/24

9.9.24 To the C.C. J. Force (120)
Dis. J. Lundstie (Ans)